Fertilizer production in the country

407. SHRI RAMDAS AGARWAL: Will the Minister of CHEMICALS & FERTILIZERS be pleased to state:

(a) what is the present level of fertilizers production in the country vis-a-vis international production level, and the percentage of public and private sector therein;

(b) whether Government have made any assessment of the production level during 1998-99 and 1999-2000, in terms of the percentage;

(c) what is the actual difference between the average demand and supply thereof during the last three years;

(d) what steps Government have taken, till date to ensure availability of sufficient quantity of fertilizers to farmers; and

(e) whether Fertilizer Technology Mission has so far been setup by Government?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) India is the third largest producer of nitrogenous and phosphatic fertilizer, having a share of 11.2% of the world production in nitrogen and 8.5% in phosphate. There are no known sources of potassic fertilizers in the country and the entire requirement of potassic fertilizers is imported.

Production of fertilizer nutrients in the world vis-a-vis in India during 1997-98 and 1998-99 along with sector-wise percentage share of fertilizers in India is given below:

Production of Fertilizer Nutrients

(In Lakh Tonnes)

Year	World	India	Sector-wise %age share in India		
			Public	Cooperative	Private
1996-97	1481.74	111.55	30.09	18.63	51.28
1997-98	1250.18	130.61	31.15	21.35	47.50
1998-99	N.A.	136.20	30.27	22.32	47.41

(b) Growth rate of production during 1998-99 was 3.9% of nitrogen and 5.5% of phosphate as against the production of 1997-98. The production target for 1999-2000 represents a growth rate of 5.6% in nitrogen and 6.5% in phosphate as against the actual production of 1998-99. During April-October 1999, the growth rate of 6.6% in nitrogen and 10.4% in phosphate was achieved as compared to corresponding period of last year.

(c) Urea is the only fertilizer under statutory price and movement controls of the Government. The year-wise allocation of urea under Essential Commodities Act (ECA),

its availability and sales in the last three years are given below. It can be observed that availability of urea has been always adequate to support the sales:

(In Lakh Tonnes)

Year		ECA	Availability	Sales	%age of sales to availability
1996-97	Kharif	105.20	100.70	90.12	89.5
	Rabi	111.16	110.90	98.47	88.9
1997-98	Kharif	110.48	115.76	94.96	82.0
	Rabi	119.88	126.07	102.09	81.0
1998-99	Kharif	121.33	119.88	98.76	82.4
	Rabi	124.24	124.02	103.91	83.8

The demand and supply of decontrolled fertilizer are determined by the market forces. The consumption and production of the fertilizer in terms of NPK during the last three years are given below:

(Lakh Tonnes)

Year	Consumption				Production		
	N	P	K	Total	N	P	Total
1996-97	103.02	29.77	10.29	143.08	86.00	25.56	111.56
1997-98	109.00	39.15	13.73	161.88	100.86	29.76	130.62
1998-99	113.54	41.12	13.32	167.98	104.80	31.41	136.21

(d) The Government of India is taking various steps to make available sufficient quantity of fertilizer to the farmers through indigenous production and imports. To ensure adequate availability of fertilizers to the farmers, incentives for setting up indigenous plant capacities have been provided which, inter-alia, include:

(i) Normally, no industrial licence is required for setting up a fertilizer plant.

(ii) Nominal basic customs duty on import of capital goods for setting up of new plants/modernisation of existing units.

(iii) Deemed export benefits to indigenous suppliers of capital goods to fertilizer projects provided such supplies are made under the procedure of international competitive bidding.

(iv) Nominal duty on import of fertilizer raw materials and intermediates.

(v) Reasonable return on investment to the entrepreneurs under the Retention Price-cum-Subsidy Scheme, at present applicable to urea.

(e) No Fertilizer Technology Mission has been set up by the Government.